

(f) *Lease modifications* are used to add known deposits of sulphur to an adjacent Federal lease which contains an existing mine provided the deposits can only be mined as part of the existing mining operation.

§ 3540.2 Other applicable regulations.

§ 3540.2-1 General leasing regulations.

Part 3500 of this title contains the general regulations governing the leasing of solid minerals other than coal and oil shale and supplements, as applicable, the regulations in this part. The regulations in part 3500 of this title include, but are not limited to, such matters as multiple mineral development, environmental review, other agency consent and consultation, and lands not available for leasing. Cross-reference to specific regulations in part 3500 of this title is provided in this part as an aid to the reader and is not intended to limit the applicability of part 3500 of this title only to the cross-referenced regulations.

§ 3540.2-2 Special areas.

Part 3580 of this title contains regulations specific to certain national recreation areas and to certain lands patented to the State of California, and as applicable, supplements this part. Except where specific regulations in part 3580 of this title are applicable, the regulations in this part and part 3500 of this title shall govern the leasing of sulphur in those national recreation areas and those patented lands.

§ 3540.3 Allowable acreage holdings.

No person, company, association or corporation may hold at any particular time, more than 1,920 acres in the aggregate in 3 prospecting permits and leases in any 1 State.

Subpart 3541—Lease Terms and Conditions

§ 3541.1 Applicability of lease terms and conditions.

The lease terms and conditions set out under this section apply to all leases issued or renewed under part 3540 of this title. Each lease shall be issued on a form approved by the Director and shall be dated as of the first

day of the month after its approval by the authorized officer unless the applicant requests in writing that it be dated the first day of the month in which it is approved. Each lease shall authorize, in accordance with its terms and conditions, the mining of sulphur.

§ 3541.2 Rental and royalty.

§ 3541.2-1 Rental.

(a) Each lease shall provide for the payment of rental annually and in advance during the continuance of the lease at the rate of 50 cents per acre or fraction thereof. The rental for any year shall be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

(b) If the annual rental is not timely remitted, the lessee shall be notified by the authorized officer that, unless payment is made within 30 days from receipt of such notification, action shall be taken to cancel the lease. (See § 3509.4-2)

(c) Rental remittances shall be made in accordance with § 3503.1 of this title.

§ 3541.2-2 Production royalty.

All leases shall be conditioned upon the payment to the United States of a royalty of 5 percent of the quantity or gross value of the output of sulphur at the point of shipment to market.

§ 3541.3 Duration of lease.

The lease shall be issued for an initial term of 20 years subject to a preferential right in the lessee to renew for a 10-year term at the end of the initial term and at the end of each 10-year period thereafter. (See subpart 3547)

§ 3541.4 Bonds.

Prior to issuance of a lease, the applicant shall be required to furnish a bond in an amount to be determined by the authorized officer but not less than \$5,000. (See subpart 3504)

§ 3541.5 Special stipulations.

To insure adequate utilization and protection of the lands and their resources, leases shall contain such stipulations as may be prescribed by the